

Forecast Financial Statements

Te Puni Kōkiri

Statement of Forecast Comprehensive Income for the year ending 30 June 2011

	Note	2008/09	2009/10		2010/11
		Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Income					
Crown		66,078	63,661	54,170	59,807
Department(s)		681	545	505	505
Other revenue		2	-	-	-
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		66,761	64,206	54,675	60,312
Expenses					
Personnel		32,761	35,228	30,053	31,854
Operating	1	26,724	26,677	22,771	26,845
Depreciation and amortisation		1,455	1,768	1,504	1,266
Capital charge		355	533	347	347
Finance costs		-	-	-	-
Other		(31)	-	-	-
Total Expenses	5	61,264	64,206	54,675	60,312
Net Surplus/(Deficit)		5,497	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		5,497	-	-	-

Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2011

	Note	2008/09	2009/10		2010/11
		Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Balance at 1 July					
General funds		4,764	6,147	6,146	4,621
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		4,764	6,147	6,146	4,621
Changes in Taxpayers' Funds					
Comprehensive income for the period		5,497	-	-	-
Repayment of surplus		(5,497)	-	-	-
Capital contribution		1,382	1,995	-	-
Capital withdrawal		-	(86)	(1,525)	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		1,382	1,909	(1,525)	-
Balance at 30 June					
General funds		6,146	8,056	4,621	4,621
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		6,146	8,056	4,621	4,621

Forecast Statement of Financial Position as at 30 June 2011

		2008/09	2009/10		2010/11
	Note	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Assets					
Current Assets					
Cash and cash equivalents		11,905	7,037	5,562	4,545
Debtors and other receivables		87	50	50	50
Prepayments		240	114	114	114
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		12,232	7,201	5,726	4,709
Non-current Assets					
Property, plant and equipment	2	4,031	4,462	3,239	4,230
Intangible assets	3	376	993	259	283
Other non-current assets		-	-	-	-
Total Non-current Assets		4,407	5,455	3,498	4,513
Total Assets		16,639	12,656	9,224	9,222
Liabilities					
Current Liabilities					
Creditors and other payables		2,137	2,000	2,000	2,000
Repayment of surplus		5,497	-	-	-
Employee entitlements		2,562	2,160	2,007	1,814
Other current liabilities		-	-	-	-
Total Current Liabilities		10,196	4,160	4,007	3,814
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		297	440	596	787
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		297	440	596	787
Total Liabilities		10,493	4,600	4,603	4,601
Taxpayers' Funds					
General funds		6,146	8,056	4,621	4,621
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		6,146	8,056	4,621	4,621
Total Liabilities and Taxpayers' Funds		16,639	12,656	9,224	9,222

Statement of Forecast Cash Flows for the year ending 30 June 2011

		2008/09	2009/10		2010/11
	Note	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Cash Flows from Operating Activities					
Receipts from:					
Crown		66,078	63,661	54,170	59,807
Department(s)		681	545	505	505
Other		(17)	86	163	-
Interest		-	-	-	-
Payments to:					
Suppliers		(30,031)	(30,585)	(26,324)	(30,583)
Employees		(31,880)	(34,726)	(29,788)	(31,318)
Capital charge		(358)	(533)	(347)	(347)
Goods and services tax (net)		(863)	3,406	2,895	3,200
Other operating activities		-	-	-	-
Net Cash from Operating Activities	4	3,610	1,854	1,274	1,264
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		200	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(2,502)	(3,283)	(595)	(2,281)
Intangible assets		-	-	-	-
Other non-current assets		-	-	(1,525)	-
Net Cash from Investing Activities		(2,302)	(3,283)	(2,120)	(2,281)
Cash Flow from Financing Activities					
Capital contribution		1,382	1,909	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(2,973)	-	(5,497)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(1,591)	1,909	(5,497)	-
Net Increase/(Decrease) in Cash		(283)	480	(6,343)	(1,017)
Cash at the beginning of the year		12,188	6,557	11,905	5,562
Cash at the end of the year		11,905	7,037	5,562	4,545

Statement of Significant Assumptions

These forecast financial statements have been compiled on the basis of existing government policies and Ministerial expectations at the time the statements were finalised. They have been prepared in accordance with Section 34A of the Public Finance Act 1989 and are consistent with generally accepted accounting practice. They comply with NZ IFRS and Financial Reporting Standard No. 42: Prospective Financial Statements (FRS-42), as appropriate for public benefit entities.

The purpose of the forecast financial statements is to facilitate parliamentary consideration of the appropriations for, and planned performance of, Te Puni Kōkiri.

These forecast financial statements have been compiled on the basis of government policies and prepared on assumptions of future events that the Chief Executive of Te Puni Kōkiri reasonably expects to occur at the date this information was prepared. It is not intended that this published information will be updated.

The statements assume the functions and duties of Te Puni Kōkiri will remain consistent with those set out in the Ministry of Māori Development Act 1991.

The main assumptions are as follows:

- The Department's activities will remain substantially the same as for the previous year after incorporating the impact of administering the delivery of the Whānau Ora approach.
- Personnel costs are based on 381 full time equivalents staff positions.
- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2009/10 is used as the opening position for the 2010/11 forecasts.

These assumptions are adopted as at 1 April 2010.

Actual results achieved for the year to 30 June 2011 are likely to vary from information presented in these statements and the variances may be material. This could be due to changes in existing policies that may change the funding requirement of Te Puni Kōkiri, and as a result have an impact on the prospective financial statements. The potential financial effect of this cannot be quantified now as it will depend on the quantum of the change that may be proposed.

Statement of Entity-Specific Accounting Policies

The Te Puni Kōkiri has applied the accounting policies set out in Statement of Accounting Policies Standard included in this document, except as stated below.

Reporting Entity

These are the prospective financial statements of Te Puni Kōkiri, prepared in accordance with section 38 of the Public Finance Act 1989.

Te Puni Kōkiri is a Government Department as defined by section 2 of the Public Finance Act 1989. For the purposes of financial reporting Te Puni Kōkiri is a public benefit entity.

Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 23 April 2010. The Chief Executive of Te Puni Kōkiri is responsible for the forecast financial statements presented, including the appropriateness of the assumptions underlying the forecast financial statements and all other required disclosure.

Specific Accounting Policies

Property, Plant and Equipment

Capitalisation thresholds applied are set out below:

- IT Equipment / Hardware - \$5,000
- All other property, plant and equipment - \$5,000

Depreciation

The estimated useful lives of property, plant and equipment are set out below:

- Computer Equipment - 4 years
- Motor Vehicles - 5 years
- Office Equipment - 5 years
- Furniture and Fittings - 5 years
- Leasehold Improvements - up to 12 years

Intangible Assets

Capitalisation thresholds applied are:

- Purchased software - \$5,000
- Internally developed software - \$5,000

The estimated useful lives of intangible assets are:

- Purchased software - 3 and 1/3 years
- Internally developed software - 3 and 1/3 years

Cost Allocation

Te Puni Kōkiri has determined the cost of outputs using the cost allocation system outlined below.

Criteria for direct costs

'Direct costs' are those costs that are directly attributed to an output.

Criteria for indirect costs

'Indirect costs' are those costs that cannot be attributed in an economically feasible manner, to a specific output.

These include depreciation and capital charge which are charged to outputs on the basis of asset utilisation. The depreciation and capital charge of IT assets are allocated to outputs on the basis of budgeted staff hours attributable to each output.

Personnel costs (excluding those of Support Services Wahanga and the Office of the Chief Executive) are allocated to outputs based on budgeted staff hours attributable to each output. Property and other premises costs, such as maintenance, are charged to Wahanga (business units) on the basis of budgeted full time equivalents (FTEs).

Corporate overheads are allocated to outputs on the basis of budgeted staff hours attributable to each output.

Notes to the Financial Statements

Note 1 - Operating Expenses

	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Consultants' fees	5,132	6,141	3,331	3,661
Overseas travel	155	174	113	113
Domestic travel	2,474	2,425	1,797	2,175
Other	18,963	17,937	17,530	20,896
Total	26,724	26,677	22,771	26,845

Note 2 - Property, Plant and Equipment

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
Cost or revaluation						
Balance as at 1 July 2010	-	-	2,139	2,077	5,007	9,223
Additions by purchase	-	-	595	-	1,586	2,181
Balance as at 30 June 2011	-	-	2,734	2,077	6,593	11,404
Accumulated depreciation and impairment losses						
Balance as at 1 July 2010	-	-	1,797	1,612	2,575	5,984
Depreciation expense	-	-	173	60	957	1,190
Balance as at 30 June 2011	-	-	1,970	1,672	3,532	7,174
Carrying amount as at 30 June 2011	-	-	764	405	3,061	4,230

Note 3 - Intangible Assets

	Acquired software \$000	Internally generated software \$000	Other \$000	Total \$000
Cost				
Balance as at 1 July 2010	1,703	378	-	2,081
Additions by purchase	100	-	-	100
Balance as at 30 June 2011	1,803	378	-	2,181
Accumulated amortisation and impairment losses				
Balance as at 1 July 2010	1,474	378	-	1,852
Amortisation expense	46	-	-	46
Balance as at 30 June 2011	1,520	378	-	1,898
Carrying amount as at 30 June 2011	283	-	-	283

Note 4 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the year ending 30 June 2011

	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Net surplus/(deficit)	5,497	-	-	-
Add/(less) non-cash items				
Depreciation and amortisation expense	1,455	1,768	1,504	1,266
Total non-cash items	1,455	1,768	1,504	1,266
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal property, plant and equipment	(31)	-	-	-
Total items classified as investing or financing activities	(31)	-	-	-
Add/(less) movements in working capital items				
(Inc)/Dec in debtors and other receivables	(46)	-	-	-
(Inc)/Dec in prepayments	27	86	163	-
Inc/(Dec) in creditors and other payables	(4,174)	-	(959)	-
Inc/(Dec) in current provisions	-	-	822	-
Inc/(Dec) in current employee entitlements	882	-	-	-
Net movements in working capital items	(3,311)	86	26	-
Add/(less) movements in non-current liabilities				
Inc/(Dec) in non-current employee entitlements	-	-	(256)	(2)
Net cash from operating activities	3,610	1,854	1,274	1,264

Note 5 - Reconciliation of Departmental Expenses and Appropriations

	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Appropriations for output expenses				
Services To the Māori Trustee	8,817	10,004	-	-
Operations Management	16,625	10,009	10,360	8,743
Policy - Social and Cultural	8,622	8,362	9,023	8,591
Policy - Crown Māori Relationships	6,571	6,883	6,081	6,151
Relationships and Information	8,732	8,965	7,870	7,693
Policy - Economic and Enterprise	11,786	12,149	12,061	12,320
Ministerial Economic Taskforce	111	500	500	500
Integrated Whānau Social Assistance	-	7,334	7,704	7,078
Whānau Ora Administration	-	-	1,076	9,236
Total Appropriations for output expenses	61,264	64,206	54,675	60,312
Total departmental expenses [as per statement of financial performance]	61,264	64,206	54,675	60,312